

**Subject** Wage garnishment; garnishment for 90 days; limitation on levy for earnings

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## Overview

This bill changes the exemption for wages during garnishment and allows creditors to garnish earnings for 20 days longer than currently allowed under the law. Wage garnishment occurs after a creditor has obtained a judgment against the debtor.

The current law allows the debtor to exempt income under one of the following formulas, whichever one is higher:

- 40 times the federal minimum wage, or
- 25% of the debtor's net income

This bill adds an additional category, allowing a debtor to maintain up to 40 times the state minimum wage, as it was set from 2016 to 2018 at \$9.50 an hour.

Under current law, the debtor's wages were garnished for 70 days after the debtor was served with the garnishment papers. This bill would allow the creditor to continue garnishing wages for an additional 90 days, which is 20 days longer than current law.

This bill would be effective on August 1, 2019, and apply to wages being garnished on or after that date.